

Record and Return to:
Jenkens & Gilchrist
1445 Ross Avenue, Suite 3700
Dallas, Texas 75202
Attention: Sophie Maleski

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06037858 0PR 3072 220

MEMORANDUM OF LEASE

Notice is hereby given that **LINCOLN PO RED OAK VILLAGE, L.P.**, a Delaware limited partnership ("Landlord"), and **PETsMART, Inc.**, a Delaware corporation ("Tenant"), have entered into a Shopping Center Lease (the "Lease") dated August 4, 2005, pertaining to certain premises identified on Exhibit A attached hereto and located within the real property described in Exhibit B attached hereto (the "Shopping Center"). The initial term of such Lease is ten (10) Lease Years, and Tenant has the option to extend such term for up to six (6) renewal periods of five (5) Lease Years each. Among other things, the Lease grants to Tenant the right along with Landlord and other tenants in the Shopping Center to use the Common Area depicted on Exhibit A including, without limitation, roads, driveways, sidewalks and parking areas, grants certain rights with respect to Landlord's monument sign structures, prohibits certain uses within the Shopping Center and during the term of the Lease prohibits other occupants and tenants of the Shopping Center from engaging in the retail sale of: (i) pets (including, but not limited to, fish, birds, reptiles, dogs, cats and other small animals); (ii) food, accessories and other products related to pets and animals, including equestrian products and apparel related thereto; and (iii) services related to pets and animals, such as grooming, boarding, animal training and obedience classes, pet adoption, pet day care and veterinary services except on an incidental basis. For purposes hereof, the term "incidental" shall mean that the use occupies the lesser of (a) one thousand (1,000) square feet of Gross Floor area, or (b) five percent (5%) of the sale area in the subject premises.

The Lease also prohibits the following activities within the Shopping Center during the Term of the Lease in any portion of the Shopping Center nuisance; any use causing loud noises or offensive odors (including any business using exterior loud speakers); manufacturing facility; dry cleaner (except facilities for drop off and pick up of clothing cleaned at another location); any facility for the sale, lease or rental of automobiles, trucks, motorcycles, recreational vehicles, boats or other vehicles; automobile repair shop or service station or any facility storing or selling gasoline or diesel fuel in or from tanks; used clothing or thrift store or liquidation outlet; massage parlor; adult book shop or adult movie house; mortuary or funeral parlor; coin operated laundry; cocktail lounge, bar or tavern or sale of alcoholic beverages, whether or not packaged, except in conjunction with a restaurant permitted hereunder; night club; cinema or theater; place of recreation including, but not limited to, bowling alley, skating rink, carnival, game arcade or health spa (except that either a yoga studio or a salon, such as an Elizabeth Arden's Red Door Spa, shall be allowed, so long as there is only one of the two, and it is limited in size to not more than five thousand (5,000) square feet); health club, unless located in excess of 500 feet from Tenant's front door; church; or any other use inconsistent with the operation of a high quality retail shopping center. Not more than ten thousand (10,000) square feet of space in the Shopping Center in the aggregate shall be used for retail service offices, medical or professional offices, or other office purposes except office use incidental to retail uses. In addition, the following uses

must first be approved in writing by Tenant: drive-throughs; children's recreational, educational or day-care facility; restaurants occupying more than two thousand five hundred (2,500) square feet of Gross Floor Area; provided, however, the following restaurants are permitted, (i) restaurants without limit as to size on outparcels so long as they are self-parked on their respective outparcel, (ii) small restaurants and coffee shops incidental to a retailer's permitted use, and (iii) restaurants within 300 feet from Tenant's Premises; provided there may be only two such restaurants, each of which does not exceed 2000 square feet and provided, further, no restaurant shall be permitted in the 2,800 square foot building adjacent to the Premises; offices and professional uses if the aggregate Gross Floor Area exceeds 10,000 square feet and more than 3,000 square feet are located within 300 feet of the Premises; schools of any nature except in conjunction with animal training or obedience training classes associated with Tenant's Primary Business. As used herein, "school" includes, but is not limited to, a beauty school, barber college, reading room, place of instruction or any other operation serving primarily students or trainees rather than retail customers.

This Memorandum does not modify the Lease; in the event of any conflict between this Memorandum and the Lease, the terms and conditions of the Lease shall control.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease as of the 4th day of August, 2005.

LANDLORD:

**LINCOLN PO RED OAK VILLAGE,
L.P.,**
a Delaware limited partnership

BY: LINCOLN GP RED OAK
VILLAGE, L.P.,
a Texas corporation,
Its: General Partner

By: Robert Dozier
Name: Robert Dozier
Title: Executive Vice President

TENANT:

PETsMART, Inc.,
a Delaware corporation

By: Timothy E. Kullman

Timothy E. Kullman, Sr. Vice
President and Chief Financial
Officer

STATE OF Texas)
COUNTY OF Dallas) ss:

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The foregoing instrument was acknowledged before me this 4th day of August, 2005, by Robert Dwyer as Executive Vice President of **LINCOLN GP RED OAK VILLAGE, L.P.**, a Texas corporation, General Partner of **LINCOLN PO RED OAK VILLAGE, L.P.**, a Delaware limited partnership on behalf of the Landlord.

Jennifer Rodgers
Notary Public

My Commission expires:

6.9.07



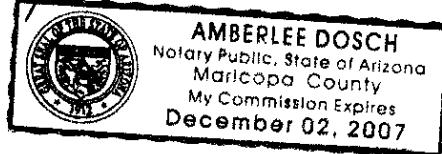
STATE OF ARIZONA)
COUNTY OF MARICOPA) ss:

The foregoing instrument was acknowledged before me this 22nd day of July, 2005, by Timothy E. Kullman, as Sr. Vice President and Chief Financial Officer of **PETsMART, Inc.**, a Delaware corporation, on behalf of the Tenant.

Amberlee Dosch
Notary Public

My Commission expires:

12-02-2007



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EXHIBIT A

SITE PLAN

[attached after this page]

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RECORDING PURPOSES**

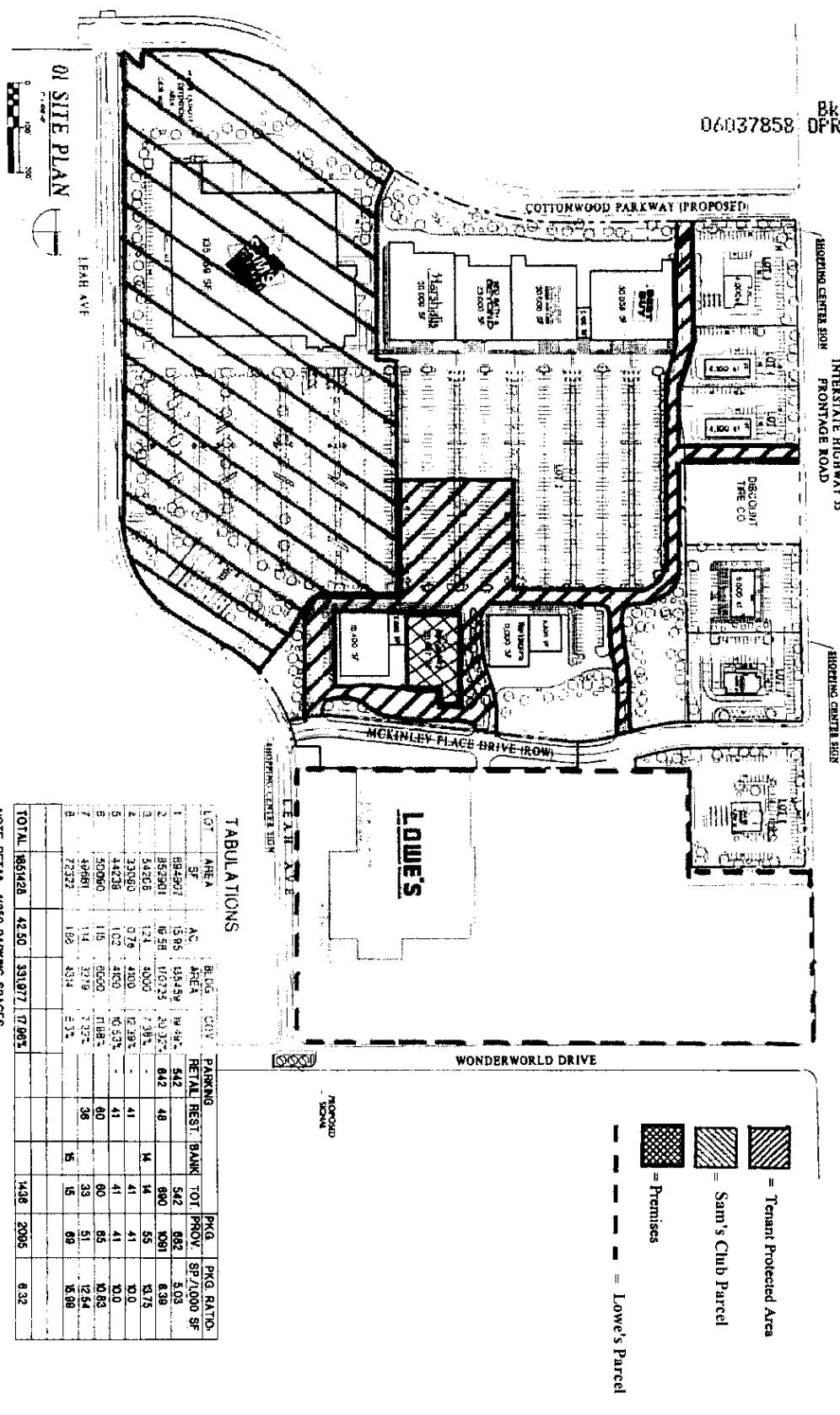


EXHIBIT B

LEGAL DESCRIPTION

TRACT 1: Lot(s) 5 and 6, SECTION 1 MCKINLEY PLACE, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded in Volume 9, Page(s) 186 of the Plat Records of Hays County, Texas.

TRACT 2: Lot 7, SECTION 1 MCKINLEY PLACE, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded in Volume 10, Page(s) 79 of the Plat Records of Hays County, Texas.

TRACT 3: A 17.037 acre tract of land, more or less, out of the J.M. Veramendi Survey No. 1 in Hays County, Texas and being more particularly described by metes and bounds on Exhibit "A" attached hereto.

TRACT 4: Lot A, MUNICIPAL AIRPORT SUBDIVISION, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded in Volume 8, Page(s) 285 of the Plat Records of Hays County, Texas.

TRACT 5: An 18.252 acre tract of land, more or less, out of the J.M. Veramendi Survey No. 1 in Hays County, Texas and being more particularly described by metes and bounds on Exhibit "B" attached hereto.

NOTE: The Company does not represent that the above acreage or square footage calculations are correct.

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FIELD NOTES FOR A 17.037 ACRE TRACT IN THE J.M. VERAMENDI SURVEY NO. 1 IN
THE CITY OF SAN MARCOS, HAYS COUNTY, TEXAS.

BEING a 17.037 acre tract or parcel of land out of and being a part of the J.M. Veramendi Survey No. 1 in the City of San Marcos, Hays County, Texas, and being a part of that certain 116.94 acre tract described in a deed from H.L. Schulle, Trustee, to Mary Anne Hood, Trustee, recorded in Volume 263, Page 522, Hays County Deed Records. Herein described tract or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod with survey cap found in the southwest line of the said 116.94 acre tract at the south corner of Lot No. 4, Section 1, McKinley Place, a subdivision in said county as recorded in Volume 9, Page 186, Hays County Plat Records, for the west corner of this tract. Said point being in the northeast line of Lot A, Municipal Airport Subdivision, as recorded in Volume 163, Page 161, Hays County Deed Records.

THENCE with the southeast line of Lots No. 4, 5 and 6 of Section 1, McKinley Place Subdivision, N 44 deg. 51 min. 07 sec. E, 185.22 feet to a 1/2 inch iron rod with survey cap found; N 44 deg. 47 min. 37 sec. E, 200.42 feet to a 1/2 inch iron rod with survey cap found; N 44 deg. 48 min. 05 sec. E, 199.02 feet to a 1/2 inch iron rod with survey cap found in the southwest line of McKinley Place Drive, a 60 foot roadway as shown on plat of said subdivision, the east corner of Lot No. 6, for the north corner of this tract.

THENCE with the southwest line of McKinley Place Drive, along a curve to the left whose radius is 330.00 feet; whose long chord bears S 52 deg. 11 min. 43 sec. E, 82.77 feet; 82.99 feet along the arc to a 5/8 inch iron rod set at the end of said curve.

THENCE continuing with the southwest line of McKinley Place Drive, S 59 deg. 32 min. 34 sec. E, 100.00 feet to a 5/8 inch iron rod set at the beginning of a curve to the right.

THENCE with said curve to the right whose radius is 270.00 feet; whose long chord bears S 52 deg. 07 min. 59 sec. E, 69.90 feet; 70.10 feet to a 5/8 inch iron rod set at the end of said curve and termination of said drive, for an interior corner of this tract.

THENCE with the terminus of McKinley Place Drive, N 45 deg. 15 min. 44 sec. E, 60.00 feet to a 1/2 inch iron rod with survey cap found in the southwest line of Lot No. 1, Section 1, McKinley Place, as recorded in Volume 7, Page 156, Hays County Plat Records, the east corner of said McKinley Place Drive, for an angle corner of this tract.

THENCE with the southwest line of Lot No. 1, Section 1, McKinley Place Subdivision, S 44 deg. 43 min. 02 sec. E, 587.49 feet to a 1/2 inch iron rod with survey cap found at the north corner of that certain 0.059 acre tract described in a deed from Mary Anne Hood, Trustee, to Century Telephone of San Marcos, Inc., recorded in Volume 1289, Page 21, Hays County Deed Records, for an east corner of this tract.

THENCE with the northwest line of the Century Telephone tract, S 45 deg. 25 min. 30 sec. W, 49.94 feet to the west corner of same, a 1/2 inch iron rod with survey cap found for an interior corner of this tract.

THENCE with the southwest line of the Century Telephone tract, S 44 deg. 41 min. 44 sec. E, 54.41 feet to the south corner of same, a 5/8 inch iron rod set in the curving northwest line of Leah Avenue, a 60 foot roadway as shown on the Plat of Lot 3, Block 1, Section 2, McKinley Place, a subdivision as recorded in Volume 8, Page 204, Hays County Plat Records, for the east corner of this tract.

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THENCE with the northwest line of Leah Avenue, along a curve to the left whose radius is 330.00 feet; whose long chord bears S 10 deg. 26 min. 26 sec. W, 283.58 feet; 293.22 feet along the arc to a 5/8 inch iron rod set to replace a 60d nail found at the end of said curve.

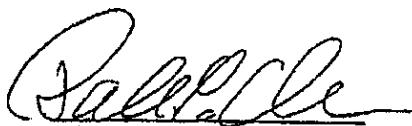
THENCE continuing with the northwest line of Leah Avenue, S 15 deg. 07 min. 36 sec. E, 99.99 feet to a 5/8 inch iron rod set to replace a 60d nail found at the beginning of a curve to the right.

THENCE with said curve to the right whose radius is 270.00 feet; whose long chord bears S 14 deg. 54 min. 21 sec. W, 270.92 feet; 283.81 feet along the arc to a 5/8 inch iron rod set at the end of said curve.

THENCE continuing with the northwest line of Leah Avenue, S 45 deg. 09 min. 50 sec. W, 126.26 feet to a 1/2 inch iron rod with survey cap found where same intersects the southwest line of the before mentioned 116.94 acre tract, the east corner of that certain 1.056 acre tract described in a deed from SLC6a Joint Ventures to W.C. Carson, recorded in Volume 2074, Page 401, Hays County Deed Records, for the south corner of this tract.

THENCE with the southwest line of the 116.94 acre tract, the northeast line of the Carson 1.056 acre tract and northwest line of that certain 15.92 acre tract described in a deed from W.C. Carson, Trustee, to W.C. Carson, recorded in Volume 845, Page 806, Hays County Deed Records and northeast line of that certain 0.629 acre tract described in a deed from the City of San Marcos to W.C. Carson recorded in Volume 1642, Page 141, Hays County Deed Records, N 44 deg. 36 min. 46 sec. W, at 49.84 feet pass a 1 inch iron pipe found at the north corner of the 1.056 acre tract and east corner of the Carson 15.92 acre tract, at 1021.89 feet pass the north corner of the Carson 15.92 acre tract and east corner of the 0.629 acre tract, in all, 1071.80 feet to a 1/2 inch iron rod with survey cap found at the north corner of the Carson 0.629 acre tract, for an angle corner of this tract.

THENCE continuing with the southwest line of the 116.94 acre tract and northeast line of the Municipal Airport Subdivision, N 44 deg. 40 min. 01 sec. W, 199.44 feet to the POINT OF BEGINNING, containing 17.037 acres of land.



Dale L. Olson
Reg. Pro. Land Surveyor 1753

Order #: 151204

OR

Michael D. Olson
Reg. Pro. Land Surveyor 5386

Date Created: 11/02/04

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FIELD NOTES FOR AN 18.252 ACRE TRACT IN THE J.M. VERAMENDI SURVEY NO. 1 IN
THE CITY OF SAN MARCOS, HAYS COUNTY, TEXAS.

BEING an 18.252 acre tract or parcel of land out of and being a part of the J.M. Veramendi Survey No. 1 in the City of San Marcos, Hays County, Texas, and being a part of that certain 15.92 acre tract described in a deed from W.C. Carson, Trustee, to W.C. Carson, recorded in Volume 845, Page 806, Hays County Deed Records, and being all of that certain 0.258 acre tract described in a deed from Brian F. McCoy, et ux, to W.C. Carson, recorded in Volume 1642, Page 117, Hays County Deed Records, and being all of that certain 0.629 acre tract described in a deed from the City of San Marcos to W.C. Carson, recorded in Volume 1642, Page 141, Hays County Deed Records, and being all of that certain 1.056 acre tract described in a deed from the City of San Marcos to W.C. Carson, recorded in Volume 1642, Page 147, Hays County Deed Records and being all of that certain 1.056 acre tract described in a deed from SLC61 Joint Venture to W.C. Carson, recorded in Volume 2074, Page 401, Hays County Deed Records. Herein described tract or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a $\frac{1}{2}$ inch iron rod with survey cap found at the intersection of the southwest line of that certain 116.94 acre tract described in a deed from H.L. Schulle, Trustee, to Mary Anne Hood, Trustee, recorded in Volume 263, Page 522, Hays County Deed Records, with the northwest line of Leah Avenue, a 60 foot roadway as shown on the plat of Lot 1, Block A, Cottonwood Crossing, a subdivision as recorded in Volume 10, Page 151, Hays County Deed Records, the east corner of the before mentioned 1.056 acre tract recorded in Volume 2074, Page 401, Hays County Deed Records, for the east corner of this tract.

THENCE with the northwest line of Leah Avenue and southeast line of the last mentioned 1.056 acre tract, S 45 deg. 18 min. 31 sec. W, 924.10 feet to a $\frac{5}{8}$ inch iron rod set at the beginning of a curve to the right.

THENCE with said curve to the right whose radius is 15.00 feet; whose long chord bears S 75 deg. 33 min. 01 sec. W, 14.70 feet; 15.36 feet along the arc to a $\frac{5}{8}$ inch iron rod set at the end of said curve in the northeast line of Cottonwood Parkway, a future 70 foot roadway, the south corner of the 1.056 acre tract, for the south corner of this tract.

THENCE with the south line of the 1.056 acre tract, N 02 deg. 28 min. 47 sec. W, 57.49 feet to the west or southwest corner of same, a $\frac{5}{8}$ inch iron rod set in the southeast line of the before mentioned 15.92 acre tract, for an interior corner of this tract.

THENCE with the southeast line of the 15.92 acre tract, S 45 deg. 19 min. 03 sec. W, 40.66 feet to a $\frac{1}{2}$ inch iron rod found where same intersects the northeast line of Cottonwood Parkway, the future 70 foot roadway for an angle corner of this tract.

THENCE with the northeast line of Cottonwood Parkway, N 44 deg. 42 min. 42 sec. W, 99.99 feet to a $\frac{1}{2}$ inch iron rod found at the beginning of a curve to the right.

THENCE with said curve to the right whose radius is 406.21 feet; whose long chord bears N 23 deg. 35 min. 27 sec. W, 292.22 feet; 298.92 feet along the arc to a $\frac{5}{8}$ inch iron rod set at the end of said curve.

THENCE continuing with the east or northeast line of Cottonwood Parkway, N 02 deg. 30 min. 34 sec. W, 157.64 feet to a $\frac{5}{8}$ inch iron rod set at the beginning of a curve to the left.

THENCE with said curve to the left whose radius is 703.87 feet; whose long chord bears N 23 deg. 49 min. 35 sec. W, 511.06 feet; 523.01 feet to a 1/2 inch iron rod with survey cap found at the end of said curve, the west corner of the before mentioned 0.258 acre tract and south corner of the before mentioned 0.629 acre tract.

THENCE continuing with the northeast line of Cottonwood Parkway and southwest line of the 0.629 acre tract, N 45 deg. 09 min. 49 sec. W, 50.10 feet to a 1/2 inch iron rod with survey cap found at the west corner of the 0.629 acre tract, for the west corner of this tract.

THENCE with the northwest line of the 0.629 acre tract, N 44 deg. 48 min. 48 sec. E, 547.70 feet to the north corner of same, a 1/2 inch iron rod with survey cap found in the southwest line of the before mentioned Hood 116.94 acre tract, for the north corner of this tract.

THENCE with the southwest line of the Hood 116.94 acre tract, the northeast line of the 0.629 acre, 15.92 acre and 1.056 acre tract, S 44 deg. 36 min. 46 sec. E, at 49.91 feet pass the east corner of the 0.629 acre and north corner of the Carson 15.92 acre tract, at 1021.96 feet pass a 1 inch iron pipe found at the east corner of the 15.92 acre and north corner of the 1.056 acre tract, in all, 1071.80 feet to the POINT OF BEGINNING, containing 18.252 acres of land.



Dale L. Olson
Reg. Pro. Land Surveyor 1753

Order #: 151204

OR

Michael D. Olson
Reg. Pro. Land Surveyor 5386

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Hays County